

Message Text

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ACTION EB-07

INFO OCT-01 EA-07 NEA-10 IO-13 ISO-00 L-03 FRB-03 OMB-01
ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00
CIEP-01 CEA-01 /079 W
-----191319Z 094118 /43

R 190923Z JAN 77
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 8397
INFO AMEMBASSY DACCA
AMEMBASSY KATHMANDU
AMEMBASSY NEW DELHI
USMISSION GENEVA
USDEL MTN GENEVA UNN
AMCONSUL CALCUTTA

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DEPT PASS USDA/FAS

E.O. 11652: N/A
TAGS: PORC, EPAP, EWWT, TH, BG, NP, IN, ID, BM
SUBJECT: UNCTAD JUTE CONSULTATIONS

REF: (A) STATE 007242, (B) 75 BANGKOK 28573

1. INFORMATION BASED ON JANUARY 19 MEETING WITH CHAMNONG
PHANUSCHUTABUL, SENIOR ECONOMIST, MINISTRY OF COMMERCE.CHAMNONG
HEADED THAI DELEGATION TO OCTOBER 7-9 ESCAP/UNCTAD
SPONSORED CONSULTATIONS ON JUTE AND JUTE PRODUCTS IN DACCA.

2. RTG NOW CONSIDERS JUTE (KENAF LOCALLY) A PRIORITY CROP TO BE
PLACED IN A PROGRAM FOR ACCELERATED PRODUCTION. GOVERNMENT AND
INDUSTRY DEVELOPMENT EFFORTS CALL FOR 1976 PRODUCTION TO BE EX-
PANDED FROM 180,000 XETRIC TONS TO 250,000 METRIC TONS FOR 1976/
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77. AIM IS TO MAKE THAILAND AGAIN A NET EXPORTER. IF 1976/77 TAR-
GET IS REACHED, 180,000 METRIC TONS WOULD
BE CONSUMED LOCALLY, 50,000 EXPORTED AND 20,000 TO REBUILD STOCK.
IN LONG-RUN, GOAL IS TO MAINTAIN SELF-SUFFICIENCY AND EXPAND
EXPORTABLE SURPLUSES 4 TO 5 PER CENT ANNUALLY.

3. REPORTEDLY, THAI JUTE INDUSTRY CURRENTLY RECEIVES NO FOREIGN

ASSISTANCE AND NONE IS ANTICIPATED IN THE FORESEEABLE FUTURE. HOPES FOR LARGER JUTE PRODUCTION BASED ON:

A. IMPROVED JUTE PRICE RELATIVE TO THAT FOR TAPIOCA, THE MAIN COMPETING CROP. (NOT RICE AS SUGGESTED IN REF A);

B. GUARANTEED PRODUCER PRICE BY THAI JUTE MILLERS ASSOCIATION (TJMA) OF BAHT4.5 PER KG. FOR 1976/77 RAW JUTE CROP AGAINST AVERAGE OF BAHT3.5 FOR 1975/76;

C. TJMA TO PROVIDE GROWERS WITH SEED, TO FUND WORK FOR SEED MULTIPLICATION AND PROVIDE WATER TO RETTING;

D. BANGKOK OF AGRICULTURE AND AGRICULTURAL COOPERATIVES TO GIVE PRIORITY AND MOST FAVORABLE CREDIT TERMS PERMISSIBLE TO JUTE GROWERS; AND

E. MINISTRY OF AGRICULTURE TO RESEARCH BEST VARIETIES OF JUTE FOR LOCAL PRODUCTION, EXPAND TECHNICAL ASSISTANCE TO GROWERS, AND ESTABLISH GRADING STANDARDS FOR RAW PRODUCT.

4. TWELVE JUTE MILLS CURRENTLY IN OPERATION--THREE GOVERNMENT AND NINE PRIVATELY OWNED. NO EXPANSION PLAN AS EXCESS CAPACITY SUFFICIENT TO HANDLE INCREASED PRODUCTION FOR FORESEEABLE FUTURE.

5. CONTACT INDICATED THAILAND'S ROLE IN JUTE INTERNATIONAL IS LITTLE MORE THAN THAT OF AN OBSERVER. IT WAS NOTED THAT THAILAND DOES NOT HAVE AN IMPORTANT CONTRIBUTION TO MAKE IN THAT IT IS NOT LIMITED OFFICIAL USE

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NOW A SIGNIFICANT EXPORTER OF JUTE OR JUTE PRODUCTS. MOREOVER, IT WAS IMPLIED THAT THE VARIOUS PARTIES OF THIS ORGANIZATION LACK THE COMPETENCE TO DEVELOP AN EFFECTIVE PRICE POLICY.

6. AS NOTED IN REF B, THAILAND'S DESIRE IS FOR AN INTERNATIONAL AGREEMENT WITH FACILITIES TO IMPROVE THE COMPETITIVE POSITION OF JUTE BY REDUCING PRODUCTION COSTS THROUGH MORE INTENSIVE RESEARCH AND DEVELOPMENT. IT WAS SUGGESTED THAT THE ESTABLISHMENT OF AN INTERNATIONAL BUFFER STOCK IS SECONDARY OF IMPORTANCE. RTG THUS FINDS PROVISIONS FOR A BUFFER STOCK OF FAR LESS IMPORTANCE THAN EFFECTIVE MEASURES TO CURTAIL GROWING COMPETITION OF SYNTHETIC FIBERS.

7. COMMENT: WHEN ASKED WHAT WERE THE PROBABILITIES OF REACHING THE PRODUCTION TARGET OF JUTE, CHAMNONG EVADED THE QUESTION BY NOTING THAT THE GOAL IS A REALISTIC ONE AND THAT ALL PARTIES CONCERNED WOULD WORK TO SEE THAT IT IS ACCOMPLISHED. MEMBERS OF THE TRADE ARE NOT SURE THAILAND WILL MAINTAIN SELF-SUFFICIENCY IN JUTE AND JUTE PRODUCTS IN THE IMMEDIATE FUTURE. THERE ARE THOSE

THAT BELIEVE THE ABOVE SUPPORTING MEASURES ARE INSUFFICIENT TO
REVERSE THE INDUSTRY'S DOWNWARD TREND. THIS IS ESPECIALLY
TRUE IF THE WORLD PRICE FOR TAPIOCA PRODUCTS HOLD FIRM FOR THE
NEXT FEW YEARS.
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Message Attributes

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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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